VZCZCXRO2372 RR RUEHIK DE RUEHAH #0028/01 0071010 ZNR UUUUU ZZH R 071010Z JAN 10 FM AMEMBASSY ASHGABAT TO RUEHC/SECSTATE WASHDC 4022 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHAK/AMEMBASSY ANKARA 6087 RUEHBJ/AMEMBASSY BEIJING 3779 RUEHKO/AMEMBASSY TOKYO 3638 RUEHIT/AMCONSUL ISTANBUL 4329 RUCNDT/USMISSION USUN NEW YORK 1384 RHMCSUU/CDR USCENTCOM MACDILL AFB FL RUEHVEN/USMISSION USOSCE 4263 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC RUCPDOC/DEPT OF COMMERCE WASHDC RUEATRS/DEPT OF TREASURY WASHDC RUEHRC/DEPT OF AGRICULTURE WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 000028

SENSITIVE SIPDIS

STATE FOR SCA/CEN ANKARA FOR AGRICULTURE COUNSELOR

E.O. 12958: N/A

TAGS: <u>EAGR</u> <u>ETRD</u> <u>PGOV</u> <u>TX</u>

SUBJECT: TURKMENISTAN: SILENCE ON COTTON HARVEST

RESULTS

REF: 09 ASHGABAT 1426

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- $\P 1$. (U) Sensitive but unclassified. Not for Public Internet.
- 12. (U) In December 2009, Turkmenistan government media reported that Mary, Ahal and Balkan provinces fulfilled their regional cotton plans. According to official press reports, the total amount of cotton, which was harvested by the three successful provinces, was 520,333 tons. There were no reports on the harvest results in Lebap and Dashoguz provinces, which jointly were supposed to harvest 40 percent of the targeted amount of cotton. The government has not released the final statistics for the 2009 cotton harvest, nor were the results of the cotton harvest mentioned at the end of the year Cabinet Meeting.
- 13. (U) The Turkmenistan Government has not released the final results of the cotton harvest for any year since Berdimuhamedov has been president. However, the Government of Turkmenistan has publicly announced goals for the harvest each year. In 2009 the goal was 1,050,000 tons of seed cotton, which, after ginning, would produce about 350,000 tons of cotton fiber.
- 14. (SBU) To achieve the target, Turkmenistan had allocated 545,000 hectares of the country's arable land to cotton production. This area is 100,000 hectares less than was allocated in 2006 under former President Niyazov, although Niyazov's cotton production goal for 2006 was over two million tons. In 2009 the government planted less cotton in Dashoguz Province because the province's colder weather and less sun mean that it is less hospitable to cotton than the rest of the country. According to a farmer

from Dashoguz Province, the land that was formerly used for cotton was used for wheat and rice in 2009. The farmer said that they experienced less control from the authorities than in the previous years.

- 15. (SBU) A contact at M&M, a German transportation company with an office in Turkmenistan, told us that in 2009 his company transported about 30,000-40,000 tons of cotton fiber out of Turkmenistan, which is approximately the same amount as in the past few years. He added that Turkmenistan usually exports about 150,000 tons, which would be half of its annual cotton fiber production. (NOTE: If Turkmenistan did produce 300,000 tons of cotton fiber in 2009, that would mean that its cotton harvest would have been about 900,000 tons. END NOTE.)
- 16. (SBU) COMMENT: As post reported at the beginning of the harvest, there were early indications that this year's crop would fall short of the planned amount (reftel). The lack of information in government media about the results of the cotton harvest may indicate two things: either that the state of the cotton sector is much worse than the government is willing to admit or that the government purposely eased state control over the cotton sector to allow a gradual liberalization of state agriculture, which President Berdimuhamedov promised in March 2009. However, the fact that many restrictions that retard the sector, including those on land ownership and choice of crop as well as a fixed sales price, are still in place raises doubt about progress towards liberalizing the sector. It seems more likely that the Turkmen

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Government decided not to admit that this was another lackluster year for Turkmenistan's cotton harvest. END COMMENT.

CURRAN